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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/611,548	07/07/2000	DOUGLAS G. LOWENSTEIN	114595-2-Polest	6763
68536 7590 02/19/2010 THE LAW OFFICE OF DONNA L. ANGOTTI 140 BROADWAY SUITE 4600 NEW YORK, NY 10005			EXAMINER SUBRAMANIAN, NARAYANSWAMY	
			ART UNIT 3695	PAPER NUMBER
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary

Application No.

09/611,548

Applicant(s)

LOWENSTEIN ET AL.

Examiner

Narayanswamy Subramanian

Art Unit

3695

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 09 November 2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-181 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-181 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 07 July 2009 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SF/02)
- 4) ☐ Interview Summary (PTO-413)
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____
- Paper No(s)/Mail Date _____

DETAILED ACTION

1. This office action is in response to applicant's communication of November 9, 2009. Restriction of claims made in one of the office action of January 10, 2008 is withdrawn in view of the petition decision. Prosecution is re-opened by the Examiner. Claims 1-181 are pending and have been examined. The objections to the specification (Abstract), objections to the drawings, rejections and response to arguments are stated below.

Specification

2. Applicant is reminded of the proper language and format for an abstract of the disclosure. The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details. The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc. The abstract of the disclosure is objected to because it is too long. Correction is required. See MPEP § 608.01(b).

Drawings

3. The drawings submitted with this application on July 7, 2000 are objected to by the examiner. This application has been filed with informal drawings, which are acceptable for

examination purposes only. Specifically formal replacement drawings for figures 2A-5E will be required when the application is allowed.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter, which the applicant regards as his invention.

5. Claims 1-27, 31-52, and 56-181 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Independent claims 1, 2, 31, 74, 102, 130, 133, 140, 154, 161, and 179 recite the limitation “wherein at least some portion of the improvements lease is performed with assistance of a computer”. Independent claims 56, 93, 119, 158, and 172 recite the limitation “wherein at least some portion of the lease is performed with assistance of a computer”. Also independent claims 60 and 148 recite the limitation “wherein at least some portion of leasing the shorter-lived asset is performed with assistance of a computer”. Similarly independent claim 180 recites the limitation “wherein at least some portion of soliciting, originating, managing, or analyzing the improvements lease is performed with assistance of a computer”. Claim 181 recites the limitation “hardware and/or software designed to assist a tenant in entering an improvements lease”. Firstly, it is not clear as to what portion of the lease is performed with assistance of a computer. Secondly it is not clear as to what specific aspect of the lease is performed with assistance of a computer. Finally it is not clear as to what the Applicants mean by the limitation “performed with assistance of a computer”. It is not clear what the term “assistance of a computer” entails. The metes and bounds of this limitation are unclear. In view of these reasons the scope of the

claim is unclear. Similar reasoning applies for claims 148, and 180. Similarly in claim 181 it is not clear what kind of assistance is provided to the tenant by the hardware and/or software. Also it is not clear what the term “assist a tenant” entails. The metes and bounds of this limitation are unclear. Also in claims 60 and 148 the limitation “data processed by the computer” lacks antecedent basis because data processing by the computer has not been recited earlier in the claim. Appropriate correction is required. The dependent claims are rejected for the same reasons and also by way of dependency on a rejected independent claim.

The rejections below are interpreted in light of 35 USC 112, second paragraph rejections above.

Claim Rejections - 35 USC § 101

6. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

7. Claim 181 is rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory Subject matter.

35 USC 101 requires that in order to be patentable the invention must be a **“new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof”** (emphasis added).

Claim 181 of the disclosed invention is inoperative and therefore lacks utility. Claim 181 recites “a computer system, comprising: hardware and/or software designed to assist a tenant in entering an improvements lease, the improvements lease to grant the tenant possession and use of improvements to a space leased to the tenant under a space lease distinct from the

improvements lease; wherein data of the computer system provide that the space lease and improvements lease are to be consolidated together as a single lease for financial accounting; wherein data of the computer system provide that, for financial accounting, the consolidated lease is to be treated as an operating lease". The computer system is broadly interpreted to be software designed to assist a tenant in entering an improvements lease. Hence claim 181 merely recites elements of a system (software program elements and not tangible hardware components) without showing any ability to realize functionality of the recited elements (i.e. functional descriptive material per se) and therefore is rendered inoperative lacking any utility. Note that a computer (or software program) code cannot by itself perform the underlying function until it is loaded on some computer readable memory and accessed by the computer (or a processor). Functional descriptive material, per se, is not statutory. This is exemplified in *In re Warmerdam* 31 USPQ2d 1754 where the rejection of a claim to a disembodied data structure was affirmed. Thus a claim to a data structure, per se, or other functional descriptive material, including computer programs, per se, is not patent eligible subject matter.

8. Claims 1-27, 31-52, and 56-180 are rejected under 35 USC 101 because they are drawn to an abstract idea.

One possible identifying characteristic of an abstract idea is the lack of transformation of any physical subject matter according to the definition of a "process" under § 101 described in *Ex parte Lundgren* 76 USPQ2d (Bd. Pat. App. & Int. 2005) (precedential) and discussed below.

A generally recited process" claim is not limited to the means disclosed for performing it. *Id.* at 1400-01. Methods tied to a machine generally qualify as a "process" under § 101 because machines inherently act on and transform physical subject matter, *Id.* at 1400, and new uses for

known machines are a "process" under 35 U.S.C. § 100(b). The principal exception is the "special case" of general purpose machine-implemented processes that merely perform an "abstract idea" (the best known example of which is a mathematical algorithm); see *Id.* at 1407-08 (cases where machine-implemented process claims for performing mathematical algorithms were held nonstatutory). Statutory processes are evidenced by physical transformation steps, such as chemical, electrical, and mechanical steps. *Id.* at 1401. A statutory "process" involving a transformation of physical subject matter can be performed by a human. *Id.* at 1400-01. Not every step requiring a physical action results in a patentable physical transformation, e.g., "negotiating a contract", "convening a meeting, etc." *Id.*

Another possible identifying characteristic an abstract idea is if the claim is so broad that it covers (preempts) any and every possible way that the steps can be performed, because there is no "practical application" if no specific way is claimed to perform the steps. (See *p.21 of Ex-Parte Bilski et al. Appeal No. 2002-2257*). Pre-emption means a claim covers "any and every" possible way that the process is performed. For instance the independent claims recite the limitations "wherein at least some portion of the improvements lease is performed with assistance of a computer" or "wherein at least some portion of the lease is performed with assistance of a computer" or "wherein at least some portion of leasing the shorter-lived asset is performed with assistance of a computer" or "wherein at least some portion of soliciting, originating, managing, or analyzing the improvements lease is performed with assistance of a computer". It is also not definite because it fails to particularly point out how a certain process is carried out. When a method can be performed by a human and also by a computer or a specific result can be obtained in many possible ways the claim pre-empts all possible ways of

determining the result. In the instant case, the method can be performed by a human and also by a computer. Also the ambiguities identified in the 35 USC 112, second paragraph rejections above indicates that the specific results of implementing the claimed methods can be obtained in many possible ways. Hence the claimed inventions pre-empt all possible ways of determining the result. The dependent claims are rejected for the same reason and by way of dependency on a rejected independent claim.

Claim Rejections - 35 USC § 103

9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 28-30 and 53-55 are rejected under 35 U.S.C. 103(a) as being unpatentable over Weatherly et al. (US Patent 6,049,784).

Claim 28, Weatherly discloses a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See Weatherly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12). Weatherly does not explicitly disclose the features of each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements

lease to be structured together with the corresponding space lease to support an accounting conclusion that the space lease and improvements lease are to be considered together as a single lease and classified as an operating lease. However these features are interpreted as non-functional descriptive material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal.

Claim 53, Weatherly discloses a computer programmed to solicit proposals from tenants for financing for tenant improvements to spaces leased by the respective tenants under respective space leases; and to solicit offers of financing from lenders to the tenants' proposals, and notify the respective tenant and lender when an offer matches a proposal (See Weatherly Column 1 lines 9-58, Column 3 lines 45-52, Column 3 line 66 – Column 4 line 65, Column 5 line 60 – Column 7 line 67 and Column 8 lines 1-12). Weatherly does not explicitly disclose the features of each proposal offering terms for lease of tenant improvements to the corresponding space under an improvements lease distinct from the corresponding space lease, each improvements lease providing for lease of tenant improvements from a special purpose entity to the tenant, a landlord of the space being the owner of, or lessor of the tenant improvements to, the special purpose entity under tax accounting rules, financial statements of the special purpose entity to be consolidated with financial statements of the landlord, rent payments under the improvements lease to be fully tax deductible to the tenant. However these features are interpreted as non-functional descriptive material as they do not materially affect the steps of soliciting proposals, soliciting offers of financing and notifying the respective parties when an offer matches a proposal.

Nonfunctional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703 F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). The examiner need not give patentable weight to descriptive material absent a new and unobvious functional relationship between the descriptive material and the substrate. See *In re Lowry*, 32 F.3d 1579, 1583-84 (Fed. Cir. 1994); *In re Ngai*, 367 F.3d 1336, 1338 (Fed. Cir. 2004). Thus, when the prior art describes all the claimed structural and functional relationships between the descriptive material and the substrate, but the prior art describes a different descriptive material than the claim, then the descriptive material is nonfunctional and will not be given any patentable weight. In this claim there is no new and unobvious functional relationship between the descriptive material and the substrate.

Claims 29 and 54, Weatherly does not explicitly disclose the feature of the computer being further programmed to solicit offers of financing using an auction protocol. However Official notice is taken that soliciting offers of financing using an auction protocol is old and well known in the art. The motivation to combine this feature is that it helps in facilitating numerous offers from several participants interested in making the offers.

Claims 30 and 55, Weatherly teaches the features of the computer being further programmed to store information on a plurality of loans between tenants and landlords, and to analyze the information (See Weatherly Column 5 line 60 – Column 6 line 60). Weatherly does not explicitly disclose the feature wherein the loan is a tenant improvement loan closed between tenant and landlord. However this feature is interpreted as as non-functional descriptive material

as they do not materially affect the steps of storing information and analyzing the information. As discussed above there is no new and unobvious functional relationship between the descriptive material and the substrate.

Response to Arguments

11. Applicant's other arguments with respect to pending claims 1-181 have been considered but are moot in view of new grounds of rejection.

Conclusion

12. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure are listed on the enclosed PTO-892.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Narayanswamy Subramanian whose telephone number is (571) 272-6751. The examiner can normally be reached Monday-Thursday from 8:30 AM to 7:00 PM. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Charles Kyle can be reached at (571) 272-6746. The fax number for Formal or Official faxes and Draft to the Patent Office is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PMR or Public PAIR. Status information for unpublished applications is available through Private PMR only. For more information about the PMR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Application/Control Number: 09/611,548

Page 11

Art Unit: 3695

/Narayanswamy Subramanian/

Primary Examiner

Art Unit 3691

February 14, 2010